

# THE COMMONWEALTH GROWS

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## Special points of interest:

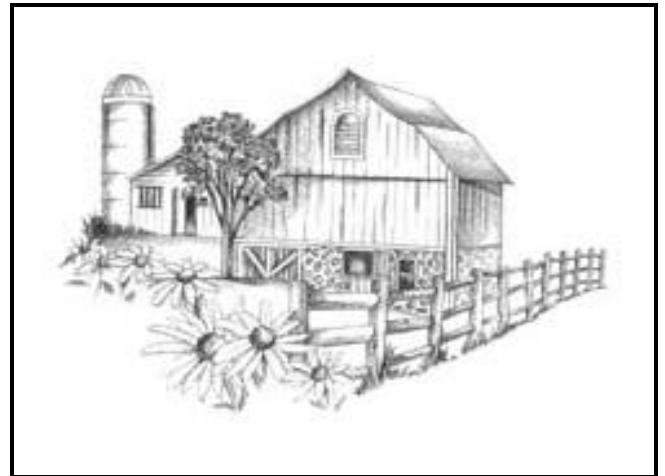
- Learn more about an apple cider project in Georgetown
- Hear from the project manager
- Read about important legal issues
- Find out where to send your questions

## THE GOVERNOR'S OFFICE OF AGRICULTURAL POLICY OPENS COMMUNICATION

INTRODUCTION BY EXECUTIVE DIRECTOR JOHN-MARK HACK

Welcome to the first issue of *The Commonwealth Grows*, the official newsletter of the Governor's Office of Agricultural Policy. Several people across the state have suggested that we develop a newsletter to open communication lines on issues related to the Agricultural Development Fund. We have heard the suggestions and could not agree more. We will be providing this publication on a monthly basis to County Agricultural Development Council members, County Extension Agents, members of the General Assembly, and other interested parties.

Governor Patton and the General Assembly created the Agricultural Development Fund to begin the long-term, comprehensive development of Kentucky's farm economy. It is a complex process that is only in its infant stages. The sustained commitment of the Governor, the Agricultural Development Board, county council members, and the General Assembly will ensure that we make the most of this historic and unprecedented opportunity to re-tool, redirect, and forever change our agricultural economy for the better.



The newsletter will be primarily devoted to issues surrounding the Agricultural Development Fund as well as other items that we are working on in the GOAP. I want to personally invite you to send us your comments, your complaints, and your suggestions for improving this effort. I promise that we will listen and together we will make sure *The Commonwealth Grows*.

## CALENDAR OF AGRICULTURAL MEETINGS AND EVENTS

### District Long-term Planning Meetings 6:30 to 9:30 pm

June 13-Bluegrass ADD, 699 Perimeter Drive in Lexington

June 18-Barren River ADD, Regional Conference Center in Bowling Green

June 19-Cumberland Valley ADD Building in London

June 20-Northern Kentucky ADD-Kenton County Extension Office

June 21-Buffalo Trace and Gateway ADD, Fleming

Mason Energy in Flemingsburg

July 9-Teleconference on Forage Improvements 1:30 pm

Madisonville Community College-Room 249

Somerset-Rural Development Center Boardroom

Lexington-W.T. Young Library Room 110

University of Louisville Science Center

Bowling Green-Western Kentucky University TPH Room 109

## PROJECT SPOTLIGHT: EVANS ORCHARD

The Evans Orchard Project is creating a state of the art cider production facility from an existing tobacco barn. The cider production operation is an effort to join with other local orchards to press and pasteurize local cider. The project recently was approved for funding by the Agricultural Development Board. The project idea began a few years ago when



Georgetown project works toward a statewide network of cider producers.

Kevan Evans was looking to diversify his productions, feeling that there might be a need for this considering the changes occurring in tobacco production. After attempting vegetable alternatives, Kevan was still looking for a long-term option that would be successful enough for his children to stay on the farm. While attending agricultural conferences, Kevan began to learn more about orchards and cider production, starting the process of collecting data and analyzing how he could use or transfer his existing resources towards such an endeavor. After doing additional research and seeking advice from a fruit and vegetable specialist at the University of Kentucky, Kevan determined that this might be a viable project for his orchard and would also be a way to incorporate other orchards around the area.

### ONE ON ONE WITH THE EVANS ORCHARD PROJECT MANAGER

**How did you decide to focus on the creation of a cider production facility?**

"We had to find a market for the other apples that weren't as marketable. We thought we'd give that a try. We felt like we could market that retail."

**How were you able to collaborate with people around your community and around the state to create the project?**

"[We knew that] we could help each other market

a good Kentucky product."

**What advice would you give to those applying for funding for their project?**

"Get everything covered. You've got to do so much research. Get a plan out there and figure out where you want to head with it."

*"Get a plan out there and figure out where you want to head with it."*

### TOP FIVE GUIDELINES TO A SUCCESSFUL PROJECT

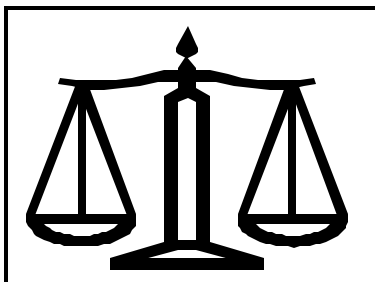
- 1) Work with your local county council and determine how your project fits into the county plan.
- 2) Look at the scope of your project and attempt to impact the largest number of people.
- 3) Think about the long-term possibilities for your project and its self-sustainability following the specific time period.
- 4) Show that you have taken the initiative through the ability to match funding dollars.
- 5) Read the "Project Approval and Administration" outline available at <http://www.kyagpolicy.com>.



## LEGAL ISSUES YOU SHOULD KNOW

As the Agricultural Development Board begins to approve projects, two legal issues have surfaced concerning the administration of the projects. To summarize, after the Board approves a project, the Board must enter into a legal agreement with the applicant that formalizes the terms and conditions of funds, specifically their receipt and expenditure. While fulfilling all the requisite legal requirements, there was an attempt to make the agreements as brief and simple as possible. However, these are issues that each application must deal with.

The first issue is that of legal entity status. The Board is a legal entity created by statute. The Board must contract with another legal entity, regardless of the type of entity. If an applicant does not want to create a new entity, they can work with an established entity to administer the project.



If the applicant decides to create a new legal entity, it would be advantageous to consult with a professional familiar with the relevant issues regarding the forming of an entity, such as a lawyer or accountant. Among the issues likely to be explored are the shielding of personal liability and the most advantageous tax status for the new entity. All of these discussions will vary depending on the agenda of the entity and other relevant facts.

The second issue is that of a tax identification number. The entity must have a tax ID number as the receipt of these funds by the applicant will most likely be a taxable event for the applicant that must be tracked. If a new entity is being formed, then one must fill out the SS-4 form. The SS-4 form does provide for the receipt of a tax ID number over the phone.

## PROJECT SPOTLIGHT CONTINUED

He contacted the other local orchards and worked to give shape to his idea. They realized that there was a cost savings if the producers would work together on the project instead of trying to purchase the necessary equipment individually. He also met with an existing cider production facility in Bowling Green to work towards the creation of a statewide network that would have a greater possibility of capturing a larger market such as a grocery chain.

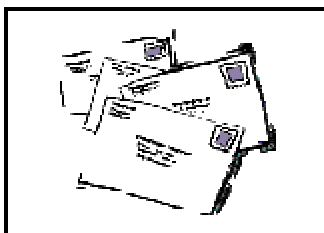
He admits that it was a long process from the creation of the idea to the approval of funding and that it took time to get all of the paperwork in order. But he understands that it is all necessary for the realization of the project and hopes that through the creation of a quality product, it will evolve into a successful way to support producers around the state.



## THE GOVERNOR'S OFFICE OF AGRICULTURAL POLICY WANTS YOUR QUESTIONS

To allow questions to be answered in an efficient manner, the Governor's Office of Agricultural Policy would like to respond to frequently asked questions in this newsletter. If you would like to see your question answered here, please send it to the address on the back of this newsletter, care of "The Commonwealth Grows." If you have internet access, send an e-mail to:

govkyagpolicy@mail.state.ky.us attention  
The Commonwealth Grows.



Send your questions to *The Commonwealth Grows*

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